
State:	District of Columbia	Filing Company:	Companion Life Insurance Company
TOI/Sub-TOI:	H14G Group Health - Hospital Indemnity/H14G.000 Health - Hospital Indemnity		
Product Name:	CLIC LBHP 3050		
Project Name/Number:	CLIC LBHP 3050 rev/CLIC LBHP 3050 rev		

Filing at a Glance

Company:	Companion Life Insurance Company
Product Name:	CLIC LBHP 3050
State:	District of Columbia
TOI:	H14G Group Health - Hospital Indemnity
Sub-TOI:	H14G.000 Health - Hospital Indemnity
Filing Type:	Rate
Date Submitted:	03/06/2014
SERFF Tr Num:	INCS-129446904
SERFF Status:	Pending Industry Response
State Tr Num:	
State Status:	
Co Tr Num:	CLIC LBHP 3050 REV R
Implementation	On Approval
Date Requested:	
Author(s):	Renee Weaver
Reviewer(s):	Darniece Shirley (primary), Alula Selassie, Donghan Xu
Disposition Date:	
Disposition Status:	
Implementation Date:	
State Filing Description:	

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General Information

Project Name: CLIC LBHP 3050 rev
Project Number: CLIC LBHP 3050 rev
Requested Filing Mode: Review & Approval
Explanation for Combination/Other:
Submission Type: New Submission
Group Market Type: Employer
Filing Status Changed: 03/11/2014
State Status Changed:
Created By: Renee Weaver
Corresponding Filing Tracking Number: CLIC LBHP 3050

Status of Filing in Domicile: Authorized
Date Approved in Domicile: 09/03/2013
Domicile Status Comments:
Market Type: Group
Group Market Size: Small and Large
Overall Rate Impact:

Deemer Date:
Submitted By: Renee Weaver

Filing Description:

Submission for: Companion Life Insurance Company;
NAIC Company 77828
FEIN – 57 0523959

RE: Group Life and Fixed Health Indemnity Insurance Product filing for Employer Groups
H14G: Group Health – Hospital Indemnity

NEW PRODUCT RATE FILING

Product Forms:

LBHP 3050 - Group Life and Fixed Limited Benefit Health Indemnity Insurance Policy
LBHC 3050 - Group Insurance Certificate
LBHP 3070 - Employee Enrollment Form
LBHP 3080 - Employer Application

Innovative Compliance Solutions, LLC has been retained by Companion Life Insurance Company to file the above mentioned filing in your state. A filing authorization letter is attached. Please address any future correspondence and/or approvals to my attention.

Enclosed for your consideration and approval are the rates and actuarial memo for Companion Life Insurance Company's Group Life and Fixed Limited Benefit Health Indemnity Insurance Policy. This is anew and will not replace any rates that have been previously approved in your state. The product provides group life and fixed limited benefit health indemnity insurance coverage to employer groups sitused in your state.

Coverage will be issued directly to eligible employers located in DC.

The forms have been submitted under SERFF file number: INCS-129446905.

Proposed effective date is on or after approval. This is a new filing so there is currently no premium impact on existing policyholders.

We certify that to the best of our knowledge and belief, these forms do not violate any laws or regulations of your state and do

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not contain any previously disapproved provisions.

Should you have any questions, or need additional information, please contact me.

Sincerely

Renee Weaver
Compliance Consultant
Email: rweaver@innovative-compliance.com
Phone: 763-323-8643

Company and Contact

Filing Contact Information

Renee Weaver, Consultant	rweaver@innovative-compliance.com
PO Box 773	763-323-8643 [Phone]
Anoka, MN 55303	763-712-8001 [FAX]

Filing Company Information

(This filing was made by a third party - innovativecompliancesolutions)

Companion Life Insurance Company	CoCode: 77828	State of Domicile: South Carolina
PO Box 10012	Group Code: 661	Company Type:
Columbia, SC 29202	Group Name:	State ID Number:
(800) 836-5433 ext. [Phone]	FEIN Number: 57-0523959	

Filing Fees

Fee Required?	No
Retaliatory?	No
Fee Explanation:	

State:	District of Columbia	Filing Company:	Companion Life Insurance Company
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Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		Rate Sheet		New		Rate Sheet.pdf,

COMPANION LIFE INSURANCE COMPANY
LIFE AND ACCIDENT AND HEALTH POLICY
POLICY FORM LBHP 3050

Rate Sheet

Average Annual Premium

The anticipated average annual premium per certificate is \$2,276.

Premium classes

Premiums may vary by family composition and coverage option. Possible rate classes include:

- Employee; Employee + 1; Employee + 2 or more
- Employee; Employee + Spouse; Employee + Child(ren); Family
- Single; Family
- Employee and Child(ren), if any; Employee and Child(ren), if any + Spouse
- Composite

Premiums also may vary based on the average age / gender mix of the group.

Premiums vary based on benefit options selected, and employer contribution levels.

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Supporting Document Schedules

Satisfied - Item:	Cover Letter All Filings
Comments:	
Attachment(s):	letter.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Certificate of Authority to File
Comments:	
Attachment(s):	ICS Authorization 14 CLIC.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	Actuarial Memorandum-50% Loss Ratio.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Actuarial Justification
Bypass Reason:	ACT MEMO ALREADY ATTACHED
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
Bypass Reason:	ACT MEMO ALREADY ATTACHED
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)
Bypass Reason:	NA NEW FILING
Attachment(s):	
Item Status:	
Status Date:	

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Bypassed - Item:	Actuarial Memorandum and Certifications
Bypass Reason:	NA
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Unified Rate Review Template
Bypass Reason:	NA
Attachment(s):	
Item Status:	
Status Date:	

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We certify that to the best of our knowledge and belief, these forms do not violate any laws or regulations of your state and do not contain any previously disapproved provisions.

Should you have any questions, or need additional information, please contact me.

Sincerely



Renee Weaver
Compliance Consultant
Email: rweaver@innovative-compliance.com
Phone: 763-323-8643



Companion Life Insurance Company
PO Box 100102
Columbia, South Carolina 29202-3102

AUTHORIZATION LETTER

January 2014

Company: Companion Life Insurance Company

NAIC Number: 77828

FEIN Number: 57-0523959

Please accept this letter as authorization for **Innovative Compliance Solutions, LLC** to act as our agent for submission of policy forms and rate information and to perform each and every act necessary in connection with such submission on behalf of Companion Life Insurance Company.

Authorized by:

Signature 

Title Vice President and CFO

COMPANION LIFE INSURANCE COMPANY
LIFE AND ACCIDENT AND HEALTH POLICY
POLICY FORM LBHP 3050
ACTUARIAL MEMORANDUM
January 14, 2014

1. Scope and Purpose

This product is a group insurance plan providing supplemental insurance benefits, as described below, to employees and their dependents. It will be marketed to employer groups. The policy will be offered with the employer paying part of the cost or on a voluntary basis with the employees paying all of the cost. This actuarial memorandum describes the benefits and rating provided in Life and Accident & Health Policy Form LBHP 3050. This is a revision of an existing form. This memorandum is not intended to be used for any other purpose.

2. Benefit Description

This policy pays the benefits outlined below:

Life Insurance: Pays a lump sum upon the death of the employee or any eligible dependent. The benefit may range from \$5,000 - \$50,000 for the employee (which reduces to 65% of this amount at ages 65 and older). The benefit for a dependent spouse may not exceed 50% of the Employee's Face Amount and ranges from \$2,500 - \$25,000. A dependent child age 14 days or older may be covered for \$1,000 - \$10,000.

Daily In-Hospital Indemnity Benefit: Pays a daily benefit for confinement in a hospital as a result of accident or sickness, up to the maximum number of days shown in the policy schedule. Regular care and attendance of a physician are required for payment of benefit.

In-Patient Surgical Indemnity Benefit: Pays a daily benefit for in-patient surgeries performed up to the maximum number of days of in-patient surgery shown in the policy schedule.

In-Patient Anesthesia Indemnity Benefit: If the in-patient surgical indemnity benefit is payable, the Company will pay the daily In-Patient Anesthesia Indemnity Benefit amount for the administration of anesthesia for up to the maximum number of days of in-patient anesthesia shown in the policy schedule.

Outpatient Physician Office Visit Benefit: Pays a daily benefit for each day the covered person visits a physician's office as a result of sickness or accident not to exceed the maximum number of days shown in the policy schedule.

Outpatient Diagnostic X-Ray and Laboratory Indemnity Benefit: Pays a daily benefit for each day of outpatient diagnostic x-ray and laboratory tests performed. The benefit is limited to

once per day of testing, not to exceed the maximum number of testing days per benefit or calendar year shown in the policy schedule.

Outpatient Diagnostic Advanced Studies Indemnity Benefit: Pays a daily benefit for each day of outpatient diagnostic advanced studies performed. The benefit is limited to the maximum number of days per benefit or calendar year shown in the policy schedule.

Outpatient Prescription Drug Indemnity Benefit: Pays a daily benefit for each day a prescription is filled for a covered person subject to the maximum number of days per benefit or calendar year shown in the policy schedule.

Preventive Care Indemnity Benefit: Pays a daily benefit when a covered person has:

- (a) A physical examination which is provided by or under the supervision of a single physician;
- (b) A low-dose screening mammogram for any nonsymptomatic woman; or
- (c) Well baby care from the moment of birth to age six (6) years.

The benefit is limited to the maximum number of days per benefit or calendar year shown in the policy schedule.

Wellness Indemnity Benefit: Pays a daily benefit when a covered person has a health screening test. Health screening tests include, but are not limited to:

- Blood test for triglycerides
- Flexible sigmoidoscopy
- Bone marrow testing
- Hemocult stool analysis
- Breast ultrasound
- Mammography
- CA 15-3 (breast cancer)
- Fasting blood glucose test
- PSA (prostate cancer)
- Pap smear
- CEA (blood test for colon cancer)
- Serum cholesterol test for HDL & LDL levels
- Serum Protein Electrophoresis (myeloma)
- Chest x-ray
- Colonoscopy
- Stress test on bicycle or treadmill
- Thermography

The benefit is limited to the maximum number of days per benefit or calendar year shown in the policy schedule.

Emergency Room Indemnity Benefit: Pays a daily benefit for emergency room services that result from an accident or sickness and are provided on an emergency basis that do not result in hospital confinement. The benefit is limited to the maximum benefit amount per benefit or calendar year shown in the policy schedule.

Ambulance Service Indemnity Benefit: Pays a daily ground ambulance service benefit for transportation to or from a hospital as a result of an accident or sickness. The benefit is limited to the maximum number of days per benefit or calendar year shown in the policy schedule.

Neighborhood Clinic Benefit: Pays a daily neighborhood clinic benefit when a covered person has services for an injury or sickness performed at a facility other than a doctor's office which is staffed by a physician. The benefit is limited to the maximum benefit per benefit or calendar year shown in the schedule.

Outpatient Chemotherapy and Radiation Therapy Indemnity Benefit: Pays a daily outpatient chemotherapy and radiation therapy benefit when a covered person has outpatient chemotherapy and/or radiation therapy for treatment of a covered sickness or accident. The benefit is limited to the maximum benefit per benefit or calendar year shown in the schedule.

Outpatient Surgical Facility Indemnity Benefit: Pays a daily outpatient surgical facility indemnity benefit for charges made by an outpatient surgical facility, including a hospital ambulatory surgery center, provided the covered person is not admitted to the hospital, in connection with a covered outpatient surgical procedure performed on a covered person. The benefit is limited to the maximum benefit per benefit or calendar year shown in the schedule.

Outpatient Surgical Indemnity Benefit: Pays the daily outpatient surgical indemnity benefit for up to the maximum number of days per benefit or calendar year shown in the schedule.

Outpatient Anesthesia Indemnity Benefit: If the outpatient surgical indemnity benefit is payable, the Company will pay the daily Outpatient Anesthesia Indemnity Benefit amount for the administration of anesthesia for up to the maximum number of days of outpatient anesthesia shown in the policy schedule.

Outpatient Minor Surgical Indemnity Benefit: Pays a daily outpatient minor surgical benefit for up to the maximum number of days per benefit or calendar year shown in the schedule.

"Outpatient Minor Surgical Procedure" means the procedures performed on an outpatient basis in the following CPT Code ranges:

Incision and drainage	(10040 – 11010)
Small lesions	(11055 – 11311)
Excision of benign lesions	(11400 – 11442)
Nails	(11719 – 11755)

Surgical injections	(20500 – 20612)
Application of casts and strapping	(29035 – 29750)
Catheterizations	(36400 – 36680)
Lesions of the mouth	(40800 – 40840 and 41000 – 41016)
Gum lesions	(41800 – 42107)
Nerve blocks	(64402 – 64553)
Lesions of the eye	(67700 – 67850)
Lesions of the ear	(69400 – 69424)

Outpatient Manipulative Therapy Indemnity Benefit: Pays a daily outpatient manipulative therapy benefit for charges made on an outpatient basis as a result of accident or sickness. The benefit is limited to the maximum benefit per benefit or calendar year shown in the schedule.

Outpatient Physical Therapy Indemnity Benefit: Pays the daily outpatient physical therapy benefit for charges made for physical therapy done on an outpatient basis as a result of accident or sickness. The benefit is limited to the maximum per benefit or calendar year shown in the schedule.

3. Renewability

This policy is optionally renewable. The Company may terminate any or all of the insurance under the Policy, as of any premium due date, by giving written notice to the Policyholder at least 60 days prior to the termination date.

4. Applicability

The rates and benefits described in this memorandum will apply to both inforce and new policies.

5. Morbidity

Claim costs for the health insurance indemnity benefits were originally developed from the Milliman USA 2003 *Health Cost Guidelines*, adjusted for utilization trend through July 1, 2006. Rates have been adjusted from this original basis as the experience warranted, as well as continued utilization trend from July 1, 2006 through July 1, 2014.

6. Persistency

There is no specific persistency assumption used in developing claim costs for the indemnity benefits included in this policy form.

7. Expenses

Expenses, including profit and contingency, are assumed to total 50% of the health portion of the premium, distributed as follows:

Administration	21.5%
Premium Tax*	2.5%
Commissions	18.0%
Profit & Contingency	<u>8.0%</u>
Total	50.0%

*Nationwide average

8. Underwriting

Group underwriting will be applied to this product, including but not limited to stability of employer and prior experience, if any. In addition, requirements related to minimum number of enrollees and minimum participation rates will be monitored and enforced. Minimum employer contribution levels will be required for employer-paid or partially employer-paid plans. Certain benefits may not be sold in all areas if the indemnity amounts are too rich relative to local prevailing charges.

9. Marketing Method

Business is marketed through a network of non-captive brokers and independent agents.

10. Premium classes

Premiums may vary by family composition and coverage option. Possible rate classes include:

- Employee; Employee + 1; Employee + 2 or more
- Employee; Employee + Spouse; Employee + Child(ren); Family
- Single; Family
- Employee and Child(ren), if any; Employee and Child(ren), if any + Spouse
- Composite

Premiums also may vary based on the average age / gender mix of the group.

Premiums vary based on benefit options selected, and employer contribution levels.

11. Average Annual Premium

The anticipated average annual premium per certificate is \$2,276.

12. Premium Modalization Rules

Premiums do not vary based on payment modalization.

13. Trend Assumptions

This policy reflects benefits on an indemnity basis. As such, no medical insurance trend has been incorporated into the rates. We have assumed a utilization trend of 1.7% per year to reflect expected claim costs as of 2014.

14. Issue Age Range

Benefits will be offered to all eligible active employees of an employer. Premium rates do not vary by age within a group, though the average age/gender mix of an employer may be used, when available, to set the premium rates for that group. Some benefits are reduced at ages 65 or more.

15. Future Anticipated Loss Ratio

The future anticipated loss ratio for this policy is expected to be 50%.

16. Proposed Effective Date

As soon as approved.

17. Statement of Reliance

I relied upon internal data provided by third party administrators contracted with Companion to administer limited medical indemnity benefit business under this policy. I did not audit this data, but did review it for reasonableness. To the extent that this data is incomplete or inaccurate, the contents of this memorandum may be materially affected.

18. Certification

I certify to the best of my knowledge and judgment that this rate filing is in compliance with the applicable laws and regulations of the state in which it is filed and the premiums are reasonable in relation to the benefits provided and do not unfairly discriminate among policyholders. This actuarial memorandum has been prepared for the sole purpose of demonstrating that the proposed rate schedule is reasonable and the memorandum may not be appropriate for other purposes.



Stephen T. Carter, F.S.A., F.C.A., M.A.A.A.
Vice President of Actuarial Services